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LEE & HAYES, PLLC
601 W. RIVERSIDE AVENUE
SUITE 1400
SPOKANE WA 99201

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OFFICE OF PETITIONS

In re Patent No. 6,772,077 :
Issue Date: August 3, 2004 :
Application No. 09/762,562 :
Filed: February 13, 2002 :
Attorney Docket No. TL1-0095US :

ON PETITION

This is a decision on the petition under 37 CFR 1.378(b), filed April 12, 2012, to accept the unavoidably delayed payment of a maintenance fee for the above-identified patent.

The petition is **DISMISSED**.¹

If reconsideration of this decision is desired, a petition for reconsideration under 37 CFR 1.378(e) must be filed within TWO (2) MONTHS from the mail date of this decision. No extension of this 2-month time limit can be granted under 37 CFR 1.136(a) or (b). Any such petition for reconsideration must be accompanied by the petition fee of \$400 as set forth in 37 CFR 1.17(f). The petition for reconsideration should include an exhaustive attempt to provide the lacking item(s) noted below, since, after a decision on the petition for reconsideration, the Director will undertake no further reconsideration or review of the matter. This includes statements by all persons with direct knowledge of the cause of the delay, setting forth the facts, as they know them. If a request for reconsideration is filed, it must establish that the entire delay in the submission of the maintenance fee was unavoidable.

The patent issued August 3, 2004. The 3.5 year maintenance fee could have been paid from August 3, 2007 to February 2, 2008, or with a surcharge during the period from February 3, 2008 to August 3, 2008. Petitioner did not do so. Accordingly, the patent expired August 4, 2008.

A petition to accept the delayed payment of a maintenance fee under 35 USC 41(c) and 37 CFR 1.378(b) must be accompanied by (1) an adequate showing that the delay was unavoidable, since reasonable care was taken to insure that the maintenance fee would be paid timely, (2) payment of the appropriate maintenance fee, unless previously submitted, and (3) payment of the surcharge set forth in 37 CFR 1.20(i)(1). This petition lacks item (1) above.

¹ This is not a final agency decision.

A petition under 37 CFR 1.378(b) for the acceptance of an unavoidably delayed payment of maintenance fee is considered under the same standard as that for reviving an application unavoidably abandoned under 37 CFR 1.137(a) because 35 U.S.C. § 41(c)(1) uses the identical language, *i.e.*, "unavoidable" delay.² Decisions reviving abandoned applications have adopted the reasonably prudent person standard in determining if the delay was unavoidable.³ In addition, decisions on revival are made on a "case-by-case basis, taking all the facts and circumstances into account."⁴ Finally, a petition to revive an application as unavoidably abandoned cannot be granted where a petitioner has failed to meet his or her burden of establishing the cause of the unavoidable delay.⁵

The general standard applied by the Office requires petitioner to establish that petitioner treated the patent the same as a reasonable and prudent person would treat his or her most important business.⁶ However, "the question of whether an applicant's delay in prosecuting an application was unavoidable [will] be decided on a case by case basis, taking all of the facts and circumstances into account".⁷ Nonawareness of the content of, or misunderstanding of PTO statutes, PTO rules, the MPEP or Official Gazette notices, do not constitute unavoidable delay.⁸ The statute requires a "showing" by petitioner. Therefore, petitioner has the burden of proof.

² Ray v. Lehman, 55 F.3d 606, 608-09, 34 USPQ2d 1786, 1787 (Fed. Cir. 1995) (quoting In re Patent No. 4,409,763, 7 USPQ2d 1798, 1800 (Comm'r Pat. 1988)).

³ Ex parte Pratt, 1887 Dec. Comm'r Pat. 31, 32-33 (Comm'r Pat. 1887) (the term "unavoidable" "is applicable to ordinary human affairs, and requires no more or greater care or diligence than is generally used and observed by prudent and careful man in relation to their most important business"); In re Mattullath, 38 App. D.C. 497, 514-15 (D.C. Cir. 1912); Ex parte Henrich, 1913 Dec. Comm'r Pat. 139, 141 (Comm'r Pat. 1913).

⁴ Smith v. Mossinghoff, 671 F.2d 533, 538, 213 USPQ 977, 982 (D.C. Cir. 1982). (citing Potter v. Dann, 201 U.S.P.Q. (BNA) 574 (D.D.C. 1978) for the proposition that counsel's nonawareness of PTO rules does not constitute unavoidable delay)); Vincent v. Mossinghoff, 1985 U.S. Dist. Lexis 23119, 13 230 U.S.P.Q. (BNA) 621 (D.D.C. 1985) (Plaintiffs through their counsel's actions or their own must be held responsible for having noted the MPEP section and Official Gazette notices expressly stating that the certified mailing procedures outlined in 37 CFR 1.8(a) do not apply to continuation applications).

⁵ Haines v. Quigg, 673 F. Supp. 314, 5 USPQ2d 1130 (N.D. Ind. 1987).

⁶ The Commissioner is responsible for determining the standard for unavoidable delay and for applying that standard 35 U.S.C. 41(c)(1) states, "The Commissioner may accept the payment of any maintenance fee...at any time...if the delay is shown to the *satisfaction of the Commissioner* to have been unavoidable (emphasis added).

⁷ Smith v. Mossinghoff, 671 F.2d at 533.

⁸ Id. at 538.

The word ‘unavoidable’ ... is applicable to ordinary human affairs, and requires no more or greater care or diligence than is generally used and observed by prudent and careful men in relation to their most important business.⁹

PETITIONER’S ARGUMENT

- In 2007, assignee Telect, Inc. requested the transfer of a portfolio of issued patents and pending applications to the firm Lee & Hayes.
- Lee and Hayes contend the transferred issued patents and pending applications were added to the firm’s docket system according to normal procedure.
- A power of attorney was entered on November 2, 2007.
- On March 26, 2012, the firm received a Notice of Patent Expiration for another issued patent that was included in the transfer. Petitioner contends that patent expired due to docketing error.
- On March 29, 2012, a manual audit was conducted to make sure there were no additional docketing errors.
- The audit identified the instant patent as being issued but did not have any maintenance fees docketed. The firm’s docketing system did not include an indication why the patent expired.
- It was discovered that Telect, Inc. did not intend the expiration of the instant patent.
- A petition to reinstate the patent was filed April 12, 2012.

APPLICATION OF THE UNAVOIDABLE STANDARD

Petitioner’s arguments have been considered but are not persuasive. In general a grantable petition under 37 CFR 1.378.(b) must show 1) petitioner knew of the need to make the maintenance fee payment, 2) implemented a reliable docketing system to track the relevant dates 3) treated the payment of the maintenance fee (and later the filing of a petition to reinstate) as his most important business 4) was prevented from making the payment and 5) must show the entire delay in making the payment and submitting a grantable petition was unavoidable.

Although petitioner has established that they knew of the need to pay the maintenance fees, petitioner has failed to establish that a reliable docketing system was implemented to track the maintenance fee due dates. Petitioner has failed to provide any information regarding the docketing system used at Lee and Hayes. Nor has petitioner provided evidence that the instant patent was ever entered into the docketing system. Petitioner has also failed to state how Telect, Inc. conveyed the desire to pay maintenance fees and what exactly was the normal procedure for

⁹ In re Mattullath, 38 App. D.C. 497, 514-15 (1912) (*quoting Ex parte Pratt*, 1887 Dec. Comm’r Pat. 31, 32-33 (1887)); see also Winkler v. Ladd, 221 F. Supp. 550, 552, 138 U.S.P.Q. 666, 167-68 (D.D.C. 1963), aff’d, 143 U.S.P.Q. 172 (D.C. Cir. 1963); Ex parte Henrich, 1913 Dec. Comm’r Pat. 139, 141 (1913).

entering a patent into the docketing system. As such the Office is unable to make a determination that the docketing system was reliable.

Petitioner has also failed to establish that the failure to submit the maintenance fee was due to docket/clerical error. Petitioner has provided no evidence in support of the contention that docket error resulted in the expiration of the above-identified patent.

As set forth in MPEP 711.03(c), a delay resulting from an error on the part of an employee in the performance of a clerical function may provide the basis for a showing of "unavoidable" delay, provided it is shown:

- A) the error was the cause of the delay;*
- B) there was in place a business routine for performing the clerical function which could reasonably be relied upon to avoid errors in its performance; and*
- C) the employee was sufficiently trained and experienced with regard to the function and routine for its performance that reliance upon such employee represented the exercise of due care.*

The record is not clear that the error was caused by a docket error. Assuming the error was caused by docket error, petitioner has failed establish that there was a business routine for performing the clerical function which could reasonably be relied upon to avoid errors. Nor has petitioner provided evidence that the employee was sufficiently trained or experienced with the docketing system used at Lee & Hayes.

An adequate showing of unavoidable delay due to docket/clerical error may include but not limited to:

- 1) statements by all parties with direct knowledge of the circumstances surrounding the delay;*
- 2) a thorough explanation of the docketing system in use;*
- 3) identification of the types of records kept;*
- 4) identification of the persons responsible for the maintenance of the system, copies of mail ledger, docket sheets, file wrappers;*
- 5) information regarding the training provided to the clerk(s) responsible for the docketing error, the degree of supervision of their work; and*
- 6) an indication why the system failed.*

It is solely the responsibility of the patentee to ensure that the maintenance fee is paid timely to prevent expiration of the patent. The Office looks to the actions or inactions of duly authorized and voluntarily chosen representatives of the applicant/patentee and their successors, and the applicant/patentee and their successors are bound by the consequences of those actions or

inactions. Link v. Wabash, 370 U.S. 626, 633-34 (1962). Failure to monitor the status of a patent does not reflect the due care and diligence employed by a prudent and careful person with respect to their most important business and as such cannot demonstrate that the delay was unavoidable delay.

Accordingly, the facts presented do not allow for a finding of unavoidable delay.


Further correspondence with respect to this matter should be addressed as follows:

By Mail: Mail Stop PETITION
 Commissioner for Patents
 Post Office Box 1450
 Alexandria, VA 22313-1450

By Hand: U. S. Patent and Trademark Office
 Customer Service Window, Mail Stop Petitions
 Randolph Building
 401 Dulany Street
 Alexandria, VA 22314

The centralized facsimile number is (571) 273-8300.

Telephone inquiries should be directed to the undersigned at (571) 272-3215.


Charlema Grant
Attorney Advisor
Office of Petitions